

Kansas Department of Social and Rehabilitation Services
Janet Schalansky, Secretary

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Economic and Employment Support - Sandra Hazlett, Director (785) 296-3349

MEMORANDUM

To: EES Chiefs and Staff

Date: March 19, 2002

From: Dennis Priest

RE: Implementation Instructions for
Poverty Level Increases

This memo provides implementation instructions for the increases in the federal poverty level standards which take effect May 1, 2002.

POVERTY LEVEL CHANGES

1. **Medicaid Poverty Level, HealthWave, QMB, LMB, and QWD Programs** - The following instructions are for the increases in the federal poverty level standards in the Medicaid poverty level, HealthWave, QMB, LMB and QWD programs. These new standards also increase the minimum community spouse income allowance and the dependent family member allowance under the spousal impoverishment provisions effective May 1.

The poverty level table in KAECSES was updated on 02-26-02 to incorporate the new poverty level amounts effective 05-01-02. Eligibility for any cases copied into May, 2002 after this date has been computed using the new poverty level amounts. The Medicaid poverty level/HealthWave and QMB programs are affected by this update. Since eligibility for the LMB and QWD programs is determined manually, automated processing for these programs as well as the spousal impoverishment changes, are not affected by this action.

- a. **Medicaid Poverty Level and HealthWave Programs** - Because changes in the poverty level standards will not impact the majority of poverty level eligibles, except for certain premium payers at noted below mass change will not occur for the MP program. Per KEESM [2645](#) and [2780](#), changes in financial eligibility do not effect eligibility until the end of the family continuous eligibility period. Persons are not transferred from HealthWave to Medicaid or vice versa solely because of the change in poverty standards. No coverage changes are made at this time unless a child is at the end of his/her continuous eligibility period. Because ongoing cases will rebudget based on the new amounts if PLID is accessed for the benefit of May or later, staff need to be aware that poverty level percentages may be altered but medical subtypes should remain unchanged.

Although this could result in some inconsistency in the information present on the system, eligibility will not automatically change.

As indicated previously, certain HealthWave households assigned a family premium amount may be impacted by this change. If the change in poverty standard results in a decrease in the family's poverty level percentage so that the premium amount is either reduced or eliminated, action should be taken to reflect that change. Cases currently in premium status with participating individuals who fall between 151% -155% of poverty or 176% -180% of poverty are to be reviewed by staff in order to determine if the premium amount will be adjusted. To assist with this review a printout listing all cases meeting this criteria has been produced and will be mailed to the EES Chiefs and HealthWave Clearinghouse Manager electronically. These cases are to be rebudgeted under the new standard prior to the first medical card cutoff for May on April 22, 2002. Any necessary premium changes are to be made effective May, 2002.

In addition to the review of current premium cases, spenddown cases with either a child or pregnant woman recipient are to be reviewed in the month of April based on the higher poverty standards. Staff are to identify cases with pregnant women by use of the Monthly Pregnant Women Recipients report (CR600) available on SAR (Report ID SWM 03894-R23) on 04-05-02. Pregnant women listed on this report in an MA or MS case who have a spenddown indicator are to be reviewed by staff for potential Medicaid poverty level eligibility. For children, staff shall identify current MA cases without a medical subtype by reviewing the most current Active Listing Case Level Report (CR300 or CR 300A) available on SAR (Report ID SWW0483I-R02 or SWW0483I-R04). These cases are also to be reviewed for potential Medicaid poverty level or HealthWave eligibility. Such status is to be effective May 1, 2002.

NOTE: While reviewing MA programs careful attention must be given to those without existing subtypes to ensure program coding is correct. In instances where the MA program provides Family Medical coverage (including TransMed and Extended Medical) a subtype must be present. Without a subtype of CM, WT or EM, the MA program is regarded as a spenddown case and the family is not assigned to managed care.

For spenddown cases in which a child(ren) and/or pregnant women is included and meet the Medicaid poverty level or HealthWave criteria, an MP program is to be added in KAECSES with a proration date of 5-01-02. In these instances, the current base is to be shortened to end in April. The original review cycle remains in effect but continuous eligibility per KEESM [2644](#), [2645](#), and [2780](#) would be established as of May 1.

Individuals who have not met spenddown previous to the change are to be notified of the new spenddown amount for the shortened base. In addition, persons who met spenddown previous to the poverty level determination are to be notified of the shortened base and decreased spenddown so that they have the opportunity to have a portion of their spenddown expenses covered. A revised MEEEX screen is to be submitted if the client has an unpaid expense or if the client is going to pursue reimbursement from the provider. A corresponding change in the Date Spenddown Met field on the MEEEX screen may also be necessary.

Eligibility work for any of the above changes must be completed by April 22 (1st monthly medical card run for May) in order for eligibility/coverage to be correct for May.

- b. **QMB PROGRAM** - A mass change run will occur at the time of rollover in March and will determine QMB eligibility for all MS cases based on financial and non-financial criteria. A mass change detail report (MR330) will be produced following the run and will list all MS cases, not just those cases with potential or ongoing QMB eligibility. This report will be available on SAR as of 03-25-02 (Report ID SWM03828-B59). The report lists cash and food stamp cases first for the whole state with the medical cases at the end. The mass change run will result in the following:

1. Cases that are newly eligible for QMB will have an alert sent to the worker. The case must then be authorized by going through MSID and authorizing the SPEN screen for the benefit month of May so that QMB status begins effective May 1, 2002. In addition, a notice of QMB eligibility, N197 or similar notice, must be sent.
2. Cases which have been QMB eligible but now fail eligibility will be identified by a FAILED message on the mass change report. In addition, the QMB indicator on MSID will be deleted. The worker must reauthorize the case for the benefit month of May. A notice of QMB termination must also be sent by the worker and if the individual was receiving QMB-Only benefits, potential eligibility for LMB coverage should be reviewed. If the case involved excluding the amount of the SSA cost -of-living adjustment (COLA) for January 1 per KEESM [6410](#) (50) (b), the PICK screen must also be updated to remove the QE or QS code effective with the May benefit month.
3. A few cases may have a change in the spenddown amount since all MS cases will be processed in the mass change. This will likely happen when the client is on two cases, income was changed, and only one of the cases was authorized.

For all other programs (MA, MA CM, etc.), the worker will need to review any case in which a Medicare Part A recipient is not currently listed in QMB status and who may be eligible under the new poverty standards.

Such review should occur no later than the next scheduled review. QMB status would be effective the month following the month in which the case is reviewed.

NOTE: For those persons retaining QMB eligibility based on the new poverty level standards and whose SSA COLA amount was being exempted between January-April, the worker needs to take action to remove the QE or QS code on PICK which was being used to override the QMB determination in those months. To help identify these cases, a printout of all MS cases with a QE or QS medical indicator is enclosed with this material. The code is to be removed beginning with the benefit month of May. A similar printout will be provided in May for final review purposes.

- c. **LMB PROGRAM** - The higher 120% and 135% standards plus the higher 175% standard for the partial LMB program become effective on all LMB determinations for the month of May, 2000 and thereafter. For current recipients, a regular LMB (120% of poverty) determination is to be completed based on the new standard as affected cases are identified, but no later than the next scheduled review period.
- d. **QWD PROGRAM** - The higher 200% standards become effective on all QWD determinations for the month of May, 2002 and thereafter. For current recipients, a determination is to be done under the new standards as affected cases are identified, but no later than the next scheduled review period.
- e. **SPOUSAL IMPOVERISHMENT INCOME ALLOWANCES** - The higher community spouse and dependent family member allowances take effect as of May 1, 2002 for all determinations made on or after this date. Current cases are to be reviewed during the month of April and necessary adjustments made effective May 1.

To aid in the review process, a printout will be produced based on KAECSES records and will list all cases in which an AI or AI/DI code is reflected on EXNS. These codes reflect cases in which income is being allocated. The printout will be in alphabetical order by case name and be in caseload by county order. It will also list the expense code as well as the allocated amount. This information will be based on KAECSES information as of mid-March and is enclosed with this material.

Income allowances are to be adjusted in some of the cases as the community spouse can now get at least \$1493 a month and any dependent family member can get \$498 a month provided his or her income is not in excess of \$1493 per month. The new community spouse standard affects the outcome of the excess shelter calculation. The maximum amount of excess shelter which can now be given is \$739. Thus, if the person's shelter payment equals or exceeds \$972 all that can be allocated is \$739. Any payment less than \$972 but more than \$233 would produce a varying standard. These new guidelines may decrease or eliminate the excess shelter allowance in some cases.

2. **Child Care Program** - The monthly gross income amounts will be updated on the Child Care Family Income and Share Schedule to reflect changes in the new federal poverty guidelines. KsCares will be updated after 5:00 p.m. on April 12, 2002 with the changes effective May 1, 2002. The changes will not affect Family Shares already attached to existing child care plans on CHCP. In order to have the Family Share recalculated in INEL with the new income levels, it will be necessary to press PF12 on INEL (it is not necessary to change any of the income on INEL first). Changes to existing child care plans will be implemented at the next review unless requested earlier. Any cases processed on or after May 1, 2002 will use the new Family Share table with the new income levels. This includes new plans with an effective date prior to May 1, 2002 if initial eligibility is completed on or after May 1, 2002. Since there will be no mass change to child care plans, no mass notice is necessary.

Three reports are also attached below:

- List of persons with QE/QS codes;
- List of persons with allocated income for spousal impov changes;
- List of HW eligibles with incomes between specified levels for processing potential premium reductions

DFP:JS:jmm

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